

PRIVILEGE PAY POLICY

It is the policy of 121 Financial Credit Union (Credit Union) to comply with applicable laws and regulations and to conduct business in accordance with applicable safety and soundness standards.

A non-sufficient funds (negative balance) may result from: A) the payment of checks, electronic funds transfers, or other withdrawal requests, B) payments authorized by the member, C) the return, unpaid, of items deposited to the account, D) the imposition of applicable service charges or fees, and/or E) the deposit of items which according to the Credit Union's Funds Availability Policy are treated as not yet "available."

The Credit Union is not obligated to pay any item presented for payment to your account if the account does not contain sufficient collected funds. Rather than automatically returning unpaid any non-sufficient funds (NSF) items that you may have, the Credit Union may consider, without obligation on our part, approving your reasonable overdrafts. This discretionary overdraft service*, Privilege Pay, will be limited and may include fees and charges, including any NSF, Privilege Pay, and/or Overdrawn Account fee(s) as set forth in our Rate and Fee schedules.

In order to be considered for this discretionary overdraft service*, your checking account must A) be used primarily for personal and household purposes, B) have been open for at least thirty (30) days, C) and thereafter must be maintained in good standing, D) qualify for VISA® Check card, E) be brought to a positive balance (not overdrawn) at least once every thirty (30) days, F) not be subject to any legal or administrative order or levy, and G) no account owner can be delinquent on any loan obligation to the Credit Union.

The Credit Union may refuse to pay an overdraft for you at any time, even though your account is in good standing and even though the Credit Union may have previously paid overdrafts for you. The Credit Union has no obligation to notify you before the Credit Union pays or returns any item. The amount of any overdraft plus our NSF, Privilege Pay, and/or Overdraft fee(s) that you owe the Credit Union shall be due and payable upon demand. If there is an overdraft paid by the Credit Union on an account with more than one (1) owner on the signature card, each account owner, and agent if applicable, of an account on which an overdraft occurs shall be jointly and severally liable for such overdrafts plus our NSF, Privilege Pay and/or Overdraft fee(s).

Limitations: Privilege Pay Overdraft service is available only to eligible personal checking accounts. Money Market accounts are not eligible. The Credit Union may limit the number of accounts eligible for overdraft service to one account per household. The determination of whether an item will be paid or returned will be made only at the time it is presented. If you have requested overdraft protection, the Credit Union will honor drafts drawn on insufficient funds by first transferring funds from another account (as allowed by law — see Regulation D) or loan, as you have directed, or as required by under the Credit Union's overdraft protection policy. If sufficient funds are not available from another account or loan as you have directed to cover an item in full, the Credit Union will then consider extending Privilege Pay Overdraft service. There must be sufficient funds or sufficient limit to cover an item in its entirety from one source (either overdraft protection or Privilege Pay Overdraft service), or the item will be returned.

**The Privilege Pay Overdraft service does not constitute an actual or implied agreement between you and the Credit Union. Nor does it constitute an actual or implied obligation of or by the Credit Union. This service represents a purely discretionary courtesy or privilege that the Credit Union may provide to you from time to time which may be withdrawn or withheld by the Credit Union at any time without prior notice, reason or cause.*